



The President's Daily Brief

8 August 1973

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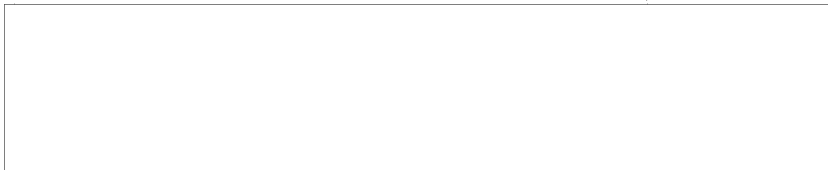
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FOR THE PRESIDENT ONLY

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PRINCIPAL DEVELOPMENTS



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the Black September Organization was responsible for Sunday's terrorist attack at Athens airport. (Page 2)

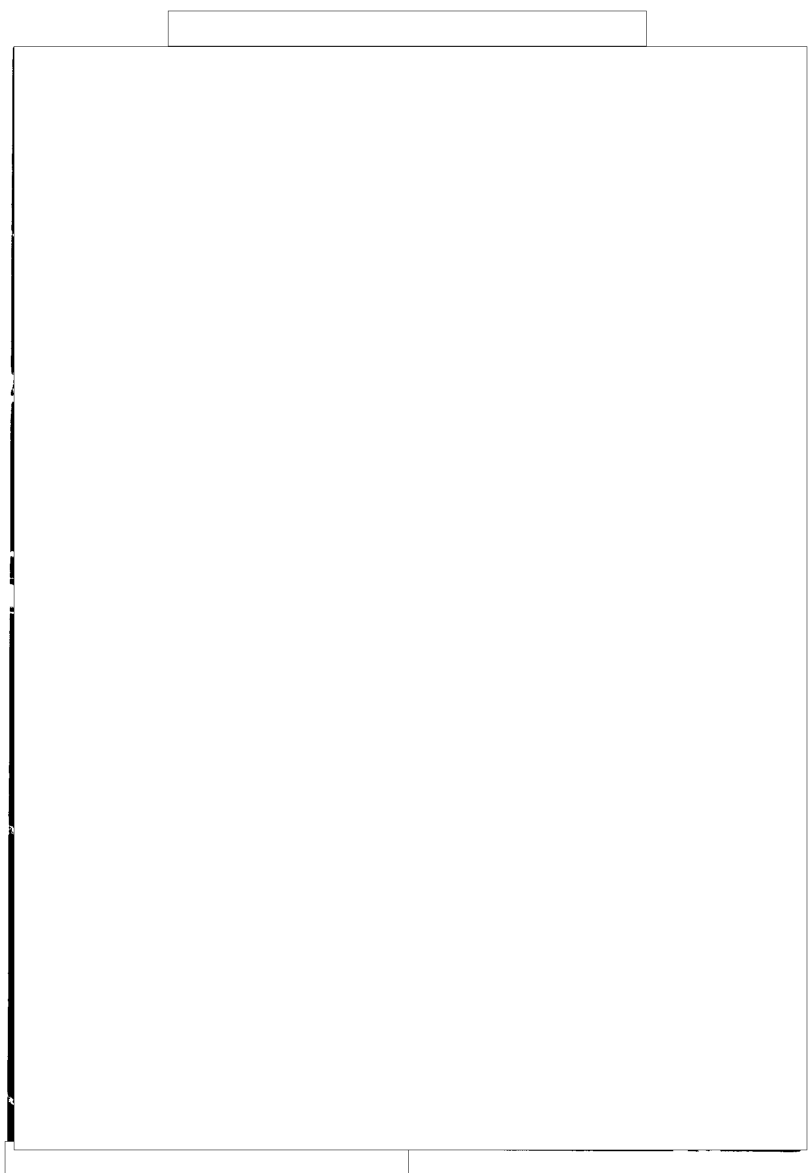
The more liberal trend in China's education policy has suffered a setback apparently because of resistance from those who want to keep alive the spirit of the Cultural Revolution. The latest change may signal increased contention over other domestic policies as important party meetings draw near. (Page 3)

Prime Minister Tanaka's trip to Washington has done little to strengthen his hand at home. Opposition parties have disparaged the results of the visit, and will probably continue to block key legislation proposed by the government. (Page 4)

In the Philippines, Muslim insurgents are making an increased effort to strengthen their hold on Sulu Province. (Page 5)

More terrorist incidents seem likely in Cyprus as Archbishop Makarios and General Grivas remain at loggerheads. (Page 6)

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USSR

[REDACTED]

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FEDAYEEN

[redacted]
[redacted] the BSO was responsible for the terrorist attack at Athens airport on August 5. [redacted] the operation had been approved by Fatah's general command, and that Yasir Arafat knew about it in advance.

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[redacted]
[redacted] the Athens operation was a failure, since its victims were to have been passengers on their way to Israel. A TWA flight departed the Athens terminal for Israel just prior to the shooting.

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Fatah and other fedayeen groups reportedly decided some time ago to disown the perpetrators of such incidents, in order to make it more difficult for Tel Aviv to pinpoint responsibility and retaliate.

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CHINA

The liberalizing trend in education policy has suffered a setback. The change may signal a sharpening dispute over other key domestic policies as important party meetings draw closer.

Over the last few years, education policy has gradually retreated from Mao's position during the Cultural Revolution, which called for admission on the almost exclusive basis of the applicant's political background. The liberalization is generally attributed to Chou En-lai, who reportedly was able to secure at least a lukewarm endorsement from Mao for a more moderate approach involving greater use of such criteria as scholastic background and exams.

This year, entrance examinations have been more widely used in determining university enrollment than at any time since the Cultural Revolution. Last month, however, the examination system was attacked in a series of broadcasts from Liaoning Province.

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With a national party congress coming up, it appears that proponents of ideologies prominent during the Cultural Revolution are using education policy to symbolize their opposition to a broader range of relatively moderate policy proposals. These proposals, which are to be aired at the congress, can be expected to encounter resistance from those who wish to keep alive the spirit of the Cultural Revolution.

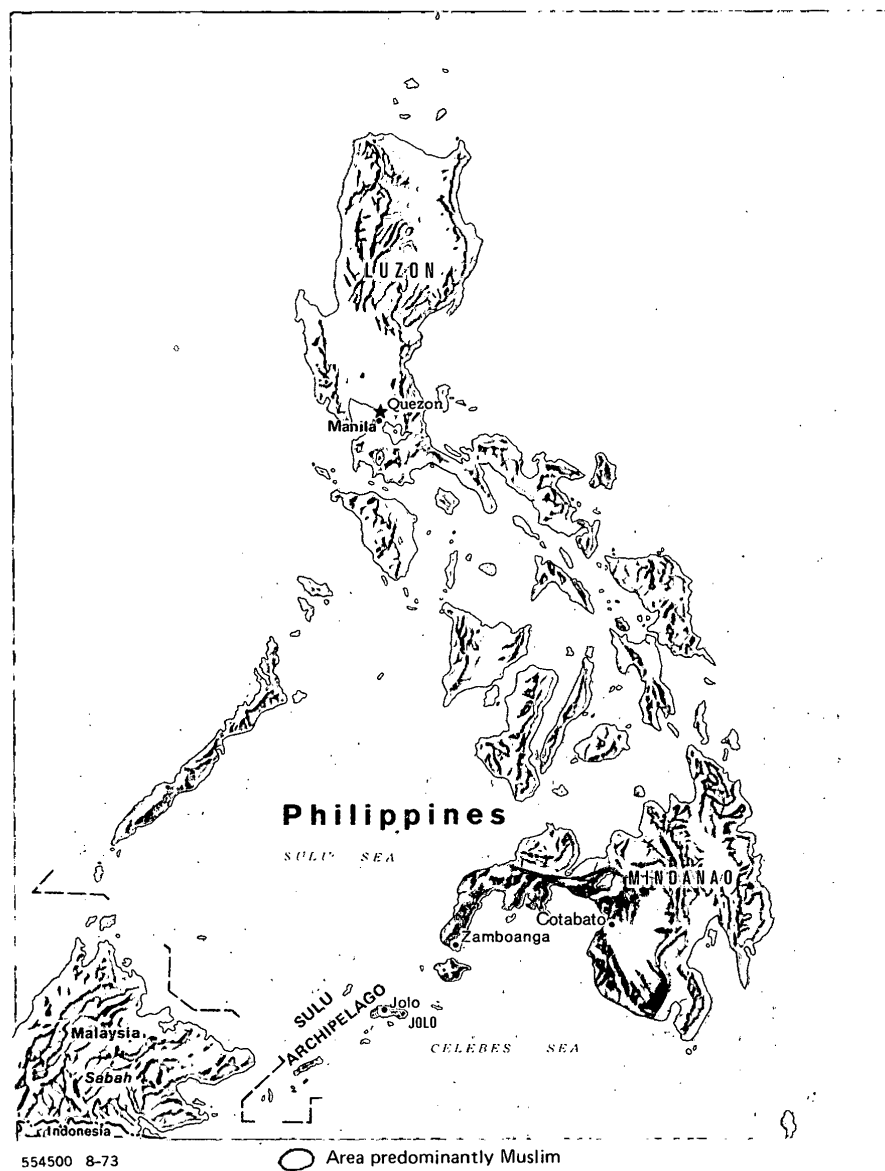
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JAPAN

Prime Minister Tanaka's US visit apparently will provide few dividends domestically. Although media reaction has been generally favorable, the opposition parties point to the bland nature of the communiqué and its lack of specifics on bilateral problems as signs that Tanaka got little for his efforts in Washington. The opposition charges that the trip signals an increasing Japanese subservience to the US.

For several weeks, the opposition parties have been boycotting the Diet, seeking to block passage of key legislation proposed by the government. There are signs now that the boycott may end, apparently because the opposition wants to zero in on Tanaka and the summit in parliamentary debate. The opposition also hopes to exploit a government-approved rise in the price of rice, which has added fuel to popular resentment over inflation.

In about a month Tanaka is scheduled to leave for Western Europe and the Soviet Union. Before then, the opposition will probably be able to create enough trouble over various domestic issues to prevent Tanaka from making much headway against his problems. This will increase his desire to try to make significant gains from his next foreign swing, especially the trip to Moscow, in the hope of applying the credit domestically.



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PHILIPPINES

Rebel activity in the Sulu Archipelago is increasing. Except for scattered army camps and the provincial capital, Sulu Province has been largely in rebel hands since early this year. Muslim insurgents are now trying to eliminate the remaining government presence, and Philippine officers concede that government forces would be hard put to defend against a determined rebel push. With most of the army's combat strength already deployed in the south, there is little prospect of further reinforcement.

Increased rebel activity comes at an awkward time for the Marcos government. The foreign ministers of four Islamic nations--Libya, Saudi Arabia, Senegal, and Somalia--are scheduled to arrive in the Philippines next week to look into charges that the government is persecuting the Muslim minority. Marcos has agreed to accept the Islamic delegation in order to counter those charges, but increased hostilities can only make it more difficult for him to do so.

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CYPRUS

General Grivas has offered to end his campaign of terrorism and release the cabinet minister his followers kidnaped late last month if President Makarios either gives up his archbishopric or quits the presidency and holds new elections. Makarios has rejected the offer and urged the General to come out of hiding and engage in a "democratic" confrontation.

No early compromise is likely, and more bombings and other terrorist incidents seem certain.

This continuing turmoil in the Greek community is increasingly worrisome to the Turkish Cypriots. Both they and Ankara fear that the violence may spread and eventually be directed against the Turkish minority.

If the violence continues, Ankara will urge Athens to exert its influence over the two rivals to find a solution. The Greeks remain reluctant to get involved directly.

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NOTE

International Monetary Developments: Arab League economists and financial experts will meet in Cairo on August 12 to study the potential impact of international monetary reform proposals on Arab reserve holdings. The Arab press and some Arab officials contend that the US, in opposing the accumulation of large amounts of foreign exchange by any nation, is acting from political motives directed against the Arab countries.

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